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STATE FOR EUR/UMB

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TAGS: PREL ECON EAID KDEM MD

SUBJECT: PRIME MINISTER AND EUR DAS RUSSELL  
DISCUSS MOLDOVAN-U.S. ISSUES

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Classified by: Ambassador Asif J. Chaudhry for  
reasons 1.4 (b) and (d)

¶1. (C) Summary: During a November 19 meeting with EUR DAS Russell, Prime Minister Filat underlined the work of the new government and its priorities. He noted the importance his government placed on the USG's role in the 5 plus 2 negotiations and outlined his plans to promote communication and contacts between Chisinau and Tiraspol. On the upcoming presidential election, the Prime Minister expressed optimism but noted that the GoM should also be ready for new elections if a president is not elected. The Prime Minister agreed with DAS Russell that a January 2010 MCC Compact signing was the best available date. End Summary.

Filat Outlines Situation in Country

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¶2. (C) Prime Minister Vlad Filat opened the November 19 meeting with DAS Russell by thanking the USG on behalf of the Moldovan people for its consistent support of Moldova. Filat recalled his first meeting with Ambassador Chaudhry over a year ago in which the discussion had focused on the importance of liberty, rights and freedom for Moldovans. While noting that his government had only been in office for a short period of time, the Prime Minister expressed confidence that it would succeed, stating in English, "Yes we can."

¶3. (C) Filat said the priorities of the government were rule of law, freedom, citizen rights, independence and unity of Moldova. All these priorities supported Moldova's European integration. Filat also conceded that Moldova faced enormous internal political and economic problems, and said that in some areas the government lacked capable administrators. While noting that the Alliance was working well together, he also acknowledged that within the Alliance there were differences in approaches to problems and in the personalities.

Filat on Transnistria

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¶4. (C) The Prime Minister said that he would speak frankly and directly on Transnistria. The U.S. role, he said, would be decisive in making progress on reunification, particularly in light of the fact that the Russian approach to the Transnistrian problem was "very tough." Filat said

that reading the Russian press in preparation for his November 20 meeting with Russian Prime Minister Putin he had noticed that the Russians covered the Transnistrian issue "in an emotional manner," expressing frustration rather than approaching the issue pragmatically. Although he did not want to put the full responsibility of resolving the reunification issue on the shoulders of the U.S., Filat underlined that Moldova needed very active U.S. support.

¶ 15. (C) On Transnistria, Filat expressed optimism that the 5 plus 2 participants could reach agreement on a statement at the Athens ministerial. DAS Russell cautioned that reaching agreement on a statement was not as significant as sticking to principles and moving the process forward. One should not lose sight of the fact that the conflict was already eighteen years old and progress would likely be incremental, he added.

¶ 16. (C) The Prime Minister stated that he wanted to change the tactics of the negotiations and open up contacts between people. He noted that he planned to support summer camps between children from both banks of the Nistru and promote collaboration between doctors, teachers, professors, and other professionals. He said that he had never considered a settlement of the conflict a technical issue simply requiring a signed agreement but rather a process of integration and building trust between people. Filat also noted that it was possible to work with Russia constructively on regional economic issues but it

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was much more difficult in the political sphere.

#### Electing a President

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¶ 17. (C) Filat said he was "optimistic" that the Parliament would elect a president by the December 10 deadline. However, he went on to state that the government had to be prepared for the possibility of new elections. (DAS Russell noted that the election of a president was Moldova's business, at which point the Prime Minister interjected, "and sometimes Moscow's.") Nevertheless, the Prime Minister also noted that the Alliance already had achieved some successes and was moving the country away from its autocratic past. He also added that his goal in launching his Liberal Democratic Party had been "a Moldova without President Voronin and a Communist government," and that this had been achieved.

#### The Economic Situation

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¶ 18. (C) The Prime Minister stated that the Moldovan economy was in very bad shape because of the global economic crisis and poor administration of the previous government. The GoM had negotiated a new IMF agreement and on November 18 had adopted a final version of its Stabilization and Recovery Plan which would enable sustainable, economic growth in a market economy. Filat also noted that it was important to develop the market economy and eliminate the entrenched monopolies in the Moldovan economy.

MCC Compact

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¶9. (C) DAS Russell underlined that USG support for Moldova was more than just words and was exhibited in the possible USD 262 million MCC Compact (pending Board approval and Congressional notification) and in bilateral assistance to Moldova of USD 15 million. He further noted that the U.S. as an IMF member had supported the new IMF agreement with the GoM. Filat expressed gratitude for U.S. support and also agreed that a January timeframe for an MCC signing ceremony offered a better opportunity to set up meetings with USG representatives and Congressional members.

Comment

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¶10. (C) Although Filat began his comments on the upcoming presidential elections expressing optimism, his note that the GoM should be ready to administer new parliamentary elections reinforces a growing perception that the Alliance will have difficulty garnering the eight votes it needs from the Communists to elect Marian Lupu.

¶11. (C) Filat clearly understood that an MCC Compact signing in January was the better choice for photo opportunities and a possibility for him to promote the strong ties he is forging with the U.S. A visit to the U.S. to meet with USG and Congressional leaders will give him a chance to showcase his statesmanship on the international stage as he strives to build his leadership credentials in Moldova with the prospect of new elections later in the year. He is hoping to highlight the successful start of the new year for his government and himself by bringing home USD 262 million as a way to win support among the population. If a president is elected, the Compact will be counted a success for the Alliance and underline its pro-Western program. If the president is not elected, the Compact will help the GoM's cause in new elections.

CHAUDHRY